



1 technological advancements gained through university research. At the  
2 same time, taxpayers expect policymakers to set priorities and maximize  
3 use of public resources.

4 (2) It is the legislature's intent to articulate a strategic  
5 direction for public higher education on issues of access,  
6 affordability, service delivery, and accountability that will guide  
7 coordinated decision making on policies, operating budgets, and capital  
8 plans. It is further the legislature's intent to provide the  
9 management tools and resources necessary to implement the strategic  
10 direction. Additional investment in higher education is needed, but  
11 the public deserves assurance that such an investment is based on a  
12 clear plan and will be carefully managed with specific expectations and  
13 measurable outcomes.

14 (3) It is the strategic direction and intent of the legislature, by  
15 the year 2014, to:

16 (a) Increase capacity in higher education by thirty thousand  
17 enrollment slots, with fourteen thousand enrollment slots dedicated to  
18 expanding workforce training;

19 (b) Graduate three thousand eight hundred additional baccalaureate  
20 degrees per year by focusing degree production at the regional  
21 universities in partnership with community and technical colleges;

22 (c) Expand programs and enrollments targeted toward high demand  
23 fields by twelve thousand five hundred enrollment slots;

24 (d) Maintain the market responsiveness and multiple missions of the  
25 community and technical college system, including transfer preparation,  
26 adult remedial education, workforce training, and life-long learning;

27 (e) Assure that the cost of attendance for all students is less  
28 than thirty percent of family income;

29 (f) Through the strategic master plan for higher education, create  
30 specific targets for enrollments and degree production through analysis  
31 of statewide and regional demographics and economic needs and  
32 comparison to peer institutions and national benchmarks;

33 (g) Implement the strategic direction and master plan through  
34 performance contracts with each institution of higher education;

35 (h) Through financial aid and other new financing or enrollment  
36 allocation strategies, leverage the state investment in higher  
37 education by using existing capacity at independent four-year  
38 institutions of higher education; and

1 (i) Increase the state's overall investment in higher education by  
2 four hundred sixty million dollars per biennium, including one hundred  
3 million dollars per biennium invested in high priority research, to  
4 ensure that Washington's institutions of higher education continue to  
5 offer affordable access to the highest quality education and conduct  
6 world class research and discovery.

7 (4) It is further the legislature's intent to implement the  
8 strategic direction for higher education using the following policies:

9 (a) Expand enrollment at the regional universities, the state  
10 college, and branch campuses and freeze undergraduate enrollment at the  
11 main campuses of the research universities;

12 (b) Provide a portion of new enrollment funding to community and  
13 technical colleges and authorize the colleges to contract with a  
14 regional university, branch campus, or the state college to offer  
15 baccalaureate degree programs;

16 (c) Create new opportunities for students with associate degrees in  
17 technical fields to earn applied baccalaureate degrees;

18 (d) Increase per-student funding for current and future enrollments  
19 to the average of peer institutions;

20 (e) Reform the state need grant program to address the goal that  
21 cost of attendance is less than thirty percent of family income;

22 (f) Authorize institution governing boards to set tuition rates so  
23 that, by the year 2014 and thereafter, tuition and mandatory fees equal  
24 the average tuition and fees of peer institutions; and

25 (g) Direct the higher education coordinating board to establish  
26 performance contracts with each four-year institution and direct the  
27 state board for community and technical colleges to establish a master  
28 performance contract for the community and technical college system.

29 **Sec. 102.** RCW 28B.10.784 and 1993 sp.s. c 15 s 6 are each amended  
30 to read as follows:

31 The office of financial management, as part of its responsibility  
32 to develop and maintain student enrollment forecasts for colleges and  
33 universities under RCW 43.62.050, shall calculate enrollment levels  
34 necessary to maintain, by educational sector, the participation rate  
35 funded in fiscal year 1993. The participation rate shall be based on  
36 the state's estimated population ages seventeen and older by  
37 appropriate age groups. The participation rate (~~used to calculate~~

1 ~~enrollment levels under RCW 28B.10.776 and 28B.10.782)) shall be based~~  
2 on fall enrollment reported in the higher education enrollment report  
3 as maintained by the office of financial management, fall enrollment as  
4 reported in the management information system of the state board for  
5 community and technical colleges, and the corresponding fall population  
6 forecast by the office of financial management. ~~((Formal estimates of~~  
7 ~~the state participation rates and enrollment levels necessary to~~  
8 ~~fulfill the requirements of RCW 28B.10.776 and 28B.10.782 shall be~~  
9 ~~determined by the office of financial management as part of its~~  
10 ~~responsibility to develop and maintain student enrollment forecasts for~~  
11 ~~colleges and universities under RCW 43.62.050.)) Formal estimates of~~  
12 the state participation rates and enrollment levels required by this  
13 section shall be based on procedures and standards established by a  
14 technical work group consisting of staff from the higher education  
15 coordinating board, the public four-year institutions of higher  
16 education, the state board for community and technical colleges, the  
17 fiscal and higher education committees of the house of representatives  
18 and the senate, and the office of financial management. Formal  
19 estimates of the state participation rates and enrollment levels  
20 required by this section shall be submitted to the fiscal committees of  
21 the house of representatives and senate on or before November 15th of  
22 each even-numbered year. ~~((The higher education coordinating board~~  
23 ~~shall periodically review the enrollment goals set forth in RCW~~  
24 ~~28B.10.776 and 28B.10.782 and submit recommendations concerning~~  
25 ~~modification of these goals to the governor and to the higher education~~  
26 ~~committees of the house of representatives and the senate.))~~

27 NEW SECTION. **Sec. 103.** The following acts or parts of acts are  
28 each repealed:

29 (1) RCW 28B.10.776 (Budget calculation--Enrollment levels--  
30 Participation rate) and 1993 sp.s. c 15 s 2;

31 (2) RCW 28B.10.778 (Budget calculation--New enrollments--Funding  
32 level--Inflation factor) and 1993 sp.s. c 15 s 3;

33 (3) RCW 28B.10.780 (Budget calculation--Funding level) and 1993  
34 sp.s. c 15 s 4;

35 (4) RCW 28B.10.782 (Budget calculation--Increased enrollment target  
36 level--Availability of information) and 1993 sp.s. c 15 s 5; and

1 (5) RCW 28B.10.786 (Budget calculation--Student financial aid  
2 programs) and 1993 sp.s. c 15 s 7.

3 **PART II**  
4 **TUITION AND FINANCIAL AID**

5 **Sec. 201.** RCW 28B.15.067 and 2006 c 161 s 6 are each amended to  
6 read as follows:

7 (1) Tuition fees shall be established under the provisions of this  
8 chapter.

9 ~~((Beginning with the 2003-04 academic year and ending with the~~  
10 ~~2008-09 academic year, reductions or increases in full-time tuition~~  
11 ~~fees for resident undergraduates shall be as provided in the omnibus~~  
12 ~~appropriations act.)) Beginning with the 2007-08 academic year, the  
13 policy of the legislature is that by the 2013-14 academic year and  
14 thereafter, tuition and mandatory fees for full-time resident  
15 undergraduates at Washington public institutions of higher education  
16 shall be equal to the average tuition and mandatory fees for full-time  
17 resident undergraduates at peer institutions. Beginning with the 2007-  
18 08 academic year, governing boards of the state universities, the  
19 regional universities, The Evergreen State College, and the state board  
20 for community and technical colleges may increase full-time tuition  
21 fees for resident undergraduates to achieve the policy in this  
22 subsection, except that annual increases beginning with the 2007-08  
23 academic year and through the 2013-14 academic year may not exceed  
24 twelve percent at the four-year institutions and seven percent at the  
25 community and technical colleges. Percentage increases in full-time  
26 tuition fees may exceed the fiscal growth factor. Reductions or  
27 increases may be made for all or portions of an institution's programs,  
28 campuses, courses, or students. The average tuition and mandatory fees  
29 at peer institutions shall be determined by the higher education  
30 coordinating board.~~

31 (3) Beginning with the 2003-04 academic year ~~((and ending with the~~  
32 ~~2008-09 academic year)),~~ the governing boards of the state  
33 universities, the regional universities, The Evergreen State College,  
34 and the state board for community and technical colleges may reduce or  
35 increase full-time tuition fees for all students other than resident  
36 undergraduates, including summer school students and students in other

1 self-supporting degree programs. Percentage increases in full-time  
2 tuition fees may exceed the fiscal growth factor. Reductions or  
3 increases may be made for all or portions of an institution's programs,  
4 campuses, courses, or students.

5 ~~(4) ((Academic year tuition for full-time students at the state's~~  
6 ~~institutions of higher education beginning with 2009-10, other than~~  
7 ~~summer term, shall be as charged during the 2008-09 academic year~~  
8 ~~unless different rates are adopted by the legislature.~~

9 ~~(5))~~ The tuition fees established under this chapter shall not  
10 apply to high school students enrolling in participating institutions  
11 of higher education under RCW 28A.600.300 through 28A.600.400.

12 ~~((6))~~ (5) The tuition fees established under this chapter shall  
13 not apply to eligible students enrolling in a community or technical  
14 college under RCW 28C.04.610.

15 ~~((7) For the academic years))~~ (6) Beginning with academic year  
16 2003-04 ((through 2008-09)), the University of Washington shall use an  
17 amount equivalent to ten percent of all revenues received as a result  
18 of law school tuition increases beginning in academic year 2000-01  
19 ~~((through academic year 2008-09))~~ to assist needy low and middle income  
20 resident law students.

21 ~~((8) For the academic years))~~ (7) Beginning with academic year  
22 2003-04 ((through 2008-09)), institutions of higher education shall use  
23 an amount equivalent to ten percent of all revenues received as a  
24 result of graduate academic school tuition increases beginning in  
25 academic year 2003-04 ~~((through academic year 2008-09))~~ to assist needy  
26 low and middle-income resident graduate academic students.

27 **Sec. 202.** RCW 28B.92.010 and 2004 c 275 s 34 are each amended to  
28 read as follows:

29 The purposes of this chapter are to establish the principles upon  
30 which the state financial aid programs will be based and to establish  
31 the state of Washington state need grant program, ~~((thus assisting~~  
32 ~~financially needy or disadvantaged))~~ with the goal of ensuring that  
33 students domiciled in Washington ((to obtain the)) have an equitable  
34 opportunity of attending an accredited institution of higher education.  
35 State need grants under this chapter are available only to students who  
36 are resident students as defined in RCW 28B.15.012(2) (a) through (d).

1       **Sec. 203.** RCW 28B.92.020 and 2003 c 19 s 11 are each amended to  
2 read as follows:

3       (1) (~~The legislature finds that the higher education coordinating~~  
4 ~~board, in consultation with the higher education community, has~~  
5 ~~completed a review of the state need grant program.~~) It is the intent  
6 of the legislature (~~(to endorse the board's proposed changes to)~~) that  
7 the board operate the state need grant program(~~(, including)~~) according  
8 to the following principles:

9       (a) (~~Reaffirmation that~~) The primary purpose of the state need  
10 grant program is to (~~assist low income, needy, and disadvantaged~~)  
11 ensure Washington residents have an equitable opportunity of attending  
12 institutions of higher education;

13       (b) A goal that (~~the base state need grant amount over time be~~  
14 ~~increased to be equivalent to the rate of tuition charged to resident~~  
15 ~~undergraduate students attending Washington state public colleges and~~  
16 ~~universities~~) the state need grant be used in combination with other  
17 state and federal grants, institutional aid, private scholarships and  
18 sources of assistance, and employment so that the cost of attendance  
19 for a student attending a public institution of higher education in  
20 Washington does not exceed thirty percent of family income. Base state  
21 need grant amounts for students attending independent institutions of  
22 higher education may not exceed tuition at the University of  
23 Washington;

24       (c) State need grant recipients be required to contribute a portion  
25 of the total cost of their education through self-help;

26       (d) State need grant recipients be required to document their need  
27 for dependent care assistance after taking into account other public  
28 funds provided for like purposes; and

29       (e) Institutional aid administrators be allowed to determine  
30 whether a student eligible for a state need grant in a given academic  
31 year may remain eligible for the ensuing year if the student's family  
32 income increases by no more than a marginal amount except for funds  
33 provided through the educational assistance grant program for students  
34 with dependents.

35       (2) The legislature further finds that the higher education  
36 coordinating board, under its authority to implement the (~~proposed~~  
37 ~~changes~~) principles in subsection (1) of this section, should do so in

1 a timely manner. The board shall report to the higher education and  
2 fiscal committees of the legislature by December 15, 2008, on the  
3 changes made to implement the principles.

4 (3) The legislature also finds that:

5 (a) In most circumstances, need grant eligibility should not extend  
6 beyond five years or one hundred twenty-five percent of the published  
7 length of the program in which the student is enrolled or the credit or  
8 clock-hour equivalent; and

9 (b) State financial aid programs should continue to adhere to the  
10 principle that funding follows resident students to their choice of  
11 institution of higher education.

12 **PART III**  
13 **SERVICE DELIVERY**

14 **Sec. 301.** RCW 28B.45.014 and 2005 c 258 s 2 are each amended to  
15 read as follows:

16 (1) The primary mission of the higher education branch campuses  
17 created under this chapter remains to expand access to baccalaureate  
18 and master's level graduate education in underserved urban areas of the  
19 state (~~in collaboration with community and technical colleges. The~~  
20 ~~top priority for each of the campuses is to expand courses and degree~~  
21 ~~programs for transfer and graduate students)). New degree programs  
22 should be driven by the educational needs and demands of students and  
23 the community, as well as the economic development needs of local  
24 businesses and employers.~~

25 (2) Branch campuses shall collaborate with the community and  
26 technical colleges in their region to develop articulation agreements,  
27 dual admissions policies, and other partnerships to ensure that branch  
28 campuses serve as innovative models of a two plus two educational  
29 system. Other possibilities for collaboration include but are not  
30 limited to joint development of curricula and degree programs,  
31 colocation of instruction, and arrangements to share faculty.

32 (3) In communities where a private postsecondary institution is  
33 located, representatives of the private institution may be invited to  
34 participate in the conversation about meeting the baccalaureate and  
35 master's level graduate needs in underserved urban areas of the state.

1           ~~(4) ((However, the legislature recognizes there are alternative~~  
2 ~~models for achieving this primary mission. Some campuses may have~~  
3 ~~additional missions in response to regional needs and demands. At~~  
4 ~~selected branch campuses, an innovative combination of instruction and~~  
5 ~~research targeted to support regional economic development may be~~  
6 ~~appropriate to meet the region's needs for both access and economic~~  
7 ~~viability. Other campuses should focus on becoming models of a two~~  
8 ~~plus two educational system through continuous improvement of~~  
9 ~~partnerships and agreements with community and technical colleges.~~  
10 ~~Still other campuses may be best suited to transition to a four-year~~  
11 ~~university or be removed from designation as a branch campus entirely.~~

12           ~~(5))~~ The legislature recognizes that size, mix of degree programs,  
13 and proportion of lower versus upper division and graduate enrollments  
14 are factors that affect costs at branch campuses. However over time,  
15 the legislature intends that branch campuses be funded more similarly  
16 to regional universities.

17           ~~((6))~~ (5) In consultation with the higher education coordinating  
18 board, a branch campus may propose legislation to authorize practice-  
19 oriented or professional doctoral programs if: (a) Unique research  
20 facilities and equipment are located near the campus; or (b) the campus  
21 can clearly demonstrate student and employer demand in the region that  
22 is linked to regional economic development.

23           ~~((7) It is not the legislature's intent to have each campus chart~~  
24 ~~its own future path without legislative guidance. Instead, the~~  
25 ~~legislature intends to consider carefully the mission and model of~~  
26 ~~education that best suits each campus and best meets the needs of~~  
27 ~~students, the community, and the region.))~~ (6) The higher education  
28 coordinating board shall monitor and evaluate the addition of lower  
29 division students to the branch campuses and periodically report and  
30 make recommendations to the higher education committees of the  
31 legislature to ensure the campuses continue to follow the priorities  
32 established under this chapter.

33           (7) When the enrollment of a branch campus approaches seven  
34 thousand five hundred full-time equivalent students or at the written  
35 request of a campus community advisory board, the governing board of  
36 the research university responsible for the campus shall conduct a  
37 governance study to consider alternative governance options for the

1 campus, including transition to a separately governed regional  
2 university. Results of any such study shall be forwarded to the higher  
3 education committees of the senate and house of representatives.

4 **Sec. 302.** RCW 28B.50.820 and 2005 c 258 s 12 are each amended to  
5 read as follows:

6 (1) One strategy to accomplish expansion of baccalaureate capacity  
7 in underserved regions of the state is to allocate state funds for  
8 student enrollment to a community and technical college and authorize  
9 the college to enter into agreements with a regional university or  
10 state college as defined in RCW 28B.10.016 or a branch campus under  
11 chapter 28B.45 RCW, to offer baccalaureate degree programs.

12 (2) Subject to legislative appropriation for the purpose described  
13 in this section(~~(, the college board shall select and allocate funds to~~  
14 ~~three community or technical colleges for the purpose of entering into~~  
15 ~~an agreement with one or more regional universities, branch campuses,~~  
16 ~~or the state college to offer baccalaureate degree programs on the~~  
17 ~~college campus)):~~

18 (a) A community or technical college may enter into a contract with  
19 one or more regional universities, branch campuses, or the state  
20 college to offer baccalaureate degree programs on the college campus;  
21 and

22 (b) The college board may enter into a master contract with  
23 regional universities, branch campuses, or the state college to offer  
24 baccalaureate degree programs on multiple college campuses.

25 (3) The college board shall (~~select the~~) approve community or  
26 technical colleges based on analysis of gaps in service delivery,  
27 capacity, and student and employer demand for programs. Before taking  
28 effect, the agreement under this section must be approved by the higher  
29 education coordinating board.

30 (4) Students enrolled in programs under this section are considered  
31 students of the regional university, branch campus, or state college  
32 for all purposes including tuition and reporting of state-funded  
33 enrollments.

34 **Sec. 303.** RCW 28B.50.810 and 2005 c 258 s 6 are each amended to  
35 read as follows:

36 (1) (~~The college board shall select four community or technical~~

1 ~~colleges to develop and offer programs of study leading to an applied~~  
2 ~~baccalaureate degree. At least one of the four pilot programs chosen~~  
3 ~~must lead to a baccalaureate of applied science degree which builds on~~  
4 ~~an associate of applied science degree. The college board shall~~  
5 ~~convene a task force that includes representatives of both the~~  
6 ~~community and technical colleges to develop objective selection~~  
7 ~~criteria.~~

8 ~~(2) Colleges may submit an application to become a pilot college~~  
9 ~~under this section. The college board shall review the applications~~  
10 ~~and select the pilot colleges)) Subject to legislative appropriation~~  
11 ~~for the purpose described in this section, a community or technical~~  
12 ~~college may submit an application to the college board to develop and~~  
13 ~~offer an applied baccalaureate degree program. The college board shall~~  
14 ~~review the applications and approve applied baccalaureate degree~~  
15 ~~programs using objective criteria, including:~~

16 (a) The college demonstrates the capacity to make a long-term  
17 commitment of resources to build and sustain a high quality program;

18 (b) The college has or can readily engage faculty appropriately  
19 qualified to develop and deliver a high quality curriculum at the  
20 baccalaureate level;

21 (c) The college can demonstrate demand for the proposed program  
22 from a sufficient number of students within its service area to make  
23 the program cost-effective and feasible to operate;

24 (d) The college can demonstrate that employers demand the level of  
25 technical training proposed within the program, making it cost-  
26 effective for students to seek the degree; and

27 (e) The proposed program fills a gap in options available for  
28 students because it is not offered by a public four-year institution of  
29 higher education in the college's geographic area.

30 ~~((+3)) (2) A college selected ((as a pilot college)) to offer an~~  
31 ~~applied baccalaureate degree program under this section may develop the~~  
32 ~~curriculum for and design and deliver courses leading to an applied~~  
33 ~~baccalaureate degree. However, degree programs developed under this~~  
34 ~~section are subject to approval by the college board under RCW~~  
35 ~~28B.50.090 and by the higher education coordinating board under RCW~~  
36 ~~28B.76.230 before a pilot college may enroll students in upper division~~  
37 ~~courses. A pilot college may not enroll students in upper division~~  
38 ~~courses before the fall academic quarter of 2006.~~

1       **Sec. 304.** RCW 28B.50.140 and 2005 c 258 s 9 are each amended to  
2 read as follows:

3       Each board of trustees:

4       (1) Shall operate all existing community and technical colleges in  
5 its district;

6       (2) Shall create comprehensive programs of community and technical  
7 college education and training and maintain an open-door policy in  
8 accordance with the provisions of RCW 28B.50.090(3). However,  
9 technical colleges, and college districts containing only technical  
10 colleges, shall maintain programs solely for occupational education,  
11 basic skills, and literacy purposes. For as long as a need exists,  
12 technical colleges may continue those programs, activities, and  
13 services they offered during the twelve-month period preceding  
14 September 1, 1991;

15       (3) Shall employ for a period to be fixed by the board a college  
16 president for each community and technical college and, may appoint a  
17 president for the district, and fix their duties and compensation,  
18 which may include elements other than salary. Compensation under this  
19 subsection shall not affect but may supplement retirement, health care,  
20 and other benefits that are otherwise applicable to the presidents as  
21 state employees. The board shall also employ for a period to be fixed  
22 by the board members of the faculty and such other administrative  
23 officers and other employees as may be necessary or appropriate and fix  
24 their salaries and duties. Compensation and salary increases under  
25 this subsection shall not exceed the amount or percentage established  
26 for those purposes in the state appropriations act by the legislature  
27 as allocated to the board of trustees by the state board for community  
28 and technical colleges. The state board for community and technical  
29 colleges shall adopt rules defining the permissible elements of  
30 compensation under this subsection;

31       (4) May establish, under the approval and direction of the college  
32 board, new facilities as community needs and interests demand.  
33 However, the authority of boards of trustees to purchase or lease major  
34 off-campus facilities shall be subject to the approval of the higher  
35 education coordinating board pursuant to RCW 28B.76.230;

36       (5) May establish or lease, operate, equip and maintain  
37 dormitories, food service facilities, bookstores and other self-

1 supporting facilities connected with the operation of the community and  
2 technical college;

3 (6) May, with the approval of the college board, borrow money and  
4 issue and sell revenue bonds or other evidences of indebtedness for the  
5 construction, reconstruction, erection, equipping with permanent  
6 fixtures, demolition and major alteration of buildings or other capital  
7 assets, and the acquisition of sites, rights-of-way, easements,  
8 improvements or appurtenances, for dormitories, food service  
9 facilities, and other self-supporting facilities connected with the  
10 operation of the community and technical college in accordance with the  
11 provisions of RCW 28B.10.300 through 28B.10.330 where applicable;

12 (7) May establish fees and charges for the facilities authorized  
13 hereunder, including reasonable rules (~~and regulations~~) for the  
14 government thereof, not inconsistent with the rules of the college  
15 board; each board of trustees operating a community and technical  
16 college may enter into agreements, subject to rules of the college  
17 board, with owners of facilities to be used for housing regarding the  
18 management, operation, and government of such facilities, and any board  
19 entering into such an agreement may:

20 (a) Make rules for the government, management and operation of such  
21 housing facilities deemed necessary or advisable; and

22 (b) Employ necessary employees to govern, manage and operate the  
23 same;

24 (8) May receive such gifts, grants, conveyances, devises and  
25 bequests of real or personal property from private sources, as may be  
26 made from time to time, in trust or otherwise, whenever the terms and  
27 conditions thereof will aid in carrying out the community and technical  
28 college programs as specified by law and the rules of the state college  
29 board; sell, lease or exchange, invest or expend the same or the  
30 proceeds, rents, profits and income thereof according to the terms and  
31 conditions thereof; and adopt rules to govern the receipt and  
32 expenditure of the proceeds, rents, profits and income thereof;

33 (9) May establish and maintain night schools whenever in the  
34 discretion of the board of trustees it is deemed advisable, and  
35 authorize classrooms and other facilities to be used for summer or  
36 night schools, or for public meetings and for any other uses consistent  
37 with the use of such classrooms or facilities for community and  
38 technical college purposes;

1 (10) May make rules for pedestrian and vehicular traffic on  
2 property owned, operated, or maintained by the district;

3 (11) Shall prescribe, with the assistance of the faculty, the  
4 course of study in the various departments of the community and  
5 technical college or colleges under its control, and publish such  
6 catalogues and bulletins as may become necessary;

7 (12) May grant to every student, upon graduation or completion of  
8 a course of study, a suitable diploma, degree, or certificate.  
9 Technical colleges shall offer only technical or applied baccalaureate  
10 degrees under the rules of the state board for community and technical  
11 colleges that are appropriate to their workforce education and training  
12 mission. The primary purpose of these degrees is to lead the  
13 individual directly to employment in a specific occupation. Technical  
14 colleges may not offer transfer degrees. Only pilot colleges under RCW  
15 28B.50.810 may award baccalaureate degrees. The board, upon  
16 recommendation of the faculty, may also confer honorary associate of  
17 arts degrees upon persons other than graduates of the community  
18 college, in recognition of their learning or devotion to education,  
19 literature, art, or science. No degree may be conferred in  
20 consideration of the payment of money or the donation of any kind of  
21 property;

22 (13) Shall enforce the rules prescribed by the state board for  
23 community and technical colleges for the government of community and  
24 technical colleges, students and teachers, and adopt such rules and  
25 perform all other acts not inconsistent with law or rules of the state  
26 board for community and technical colleges as the board of trustees may  
27 in its discretion deem necessary or appropriate to the administration  
28 of college districts: PROVIDED, That such rules shall include, but not  
29 be limited to, rules relating to housing, scholarships, conduct at the  
30 various community and technical college facilities, and discipline:  
31 PROVIDED, FURTHER, That the board of trustees may suspend or expel from  
32 community and technical colleges students who refuse to obey any of the  
33 duly adopted rules;

34 (14) May, by written order filed in its office, delegate to the  
35 president or district president any of the powers and duties vested in  
36 or imposed upon it by this chapter. Such delegated powers and duties  
37 may be exercised in the name of the district board;

1 (15) May perform such other activities consistent with this chapter  
2 and not in conflict with the directives of the college board;

3 (16) Notwithstanding any other provision of law, may offer  
4 educational services on a contractual basis other than the tuition and  
5 fee basis set forth in chapter 28B.15 RCW for a special fee to private  
6 or governmental entities, consistent with rules adopted by the state  
7 board for community and technical colleges: PROVIDED, That the whole  
8 of such special fee shall go to the college district and be not less  
9 than the full instructional costs of such services including any salary  
10 increases authorized by the legislature for community and technical  
11 college employees during the term of the agreement: PROVIDED FURTHER,  
12 That enrollments generated hereunder shall not be counted toward the  
13 official enrollment level of the college district for state funding  
14 purposes;

15 (17) Notwithstanding any other provision of law, may offer  
16 educational services on a contractual basis, charging tuition and fees  
17 as set forth in chapter 28B.15 RCW, counting such enrollments for state  
18 funding purposes, and may additionally charge a special supplemental  
19 fee when necessary to cover the full instructional costs of such  
20 services: PROVIDED, That such contracts shall be subject to review by  
21 the state board for community and technical colleges and to such rules  
22 as the state board may adopt for that purpose in order to assure that  
23 the sum of the supplemental fee and the normal state funding shall not  
24 exceed the projected total cost of offering the educational service:  
25 PROVIDED FURTHER, That enrollments generated by courses offered on the  
26 basis of contracts requiring payment of a share of the normal costs of  
27 the course will be discounted to the percentage provided by the  
28 college;

29 (18) Shall be authorized to pay dues to any association of trustees  
30 that may be formed by the various boards of trustees; such association  
31 may expend any or all of such funds to submit biennially, or more often  
32 if necessary, to the governor and to the legislature, the  
33 recommendations of the association regarding changes which would affect  
34 the efficiency of such association;

35 (19) May participate in higher education centers and consortia that  
36 involve any four-year public or independent college or university:  
37 PROVIDED, That new degree programs or off-campus programs offered by a

1 four-year public or independent college or university in collaboration  
2 with a community or technical college are subject to approval by the  
3 higher education coordinating board under RCW 28B.76.230; and

4 (20) Shall perform any other duties and responsibilities imposed by  
5 law or rule of the state board.

6 **Sec. 305.** RCW 28B.15.069 and 2005 c 258 s 10 are each amended to  
7 read as follows:

8 (1) The building fee for each academic year shall be a percentage  
9 of total tuition fees. This percentage shall be calculated by the  
10 higher education coordinating board and be based on the actual  
11 percentage the building fee is of total tuition for each tuition  
12 category in the 1994-95 academic year, rounded up to the nearest half  
13 percent.

14 (2) The governing boards of each institution of higher education,  
15 except for the technical colleges, shall charge to and collect from  
16 each student a services and activities fee. A governing board may  
17 increase the existing fee annually, consistent with budgeting  
18 procedures set forth in RCW 28B.15.045, by a percentage not to exceed  
19 the annual percentage increase in student tuition fees for resident  
20 undergraduate students: PROVIDED, That such percentage increase shall  
21 not apply to that portion of the services and activities fee previously  
22 committed to the repayment of bonded debt. These rate adjustments may  
23 exceed the fiscal growth factor. For the 2003-04 academic year, the  
24 services and activities fee shall be based upon the resident  
25 undergraduate services and activities fee in 2002-03. The services and  
26 activities fee committee provided for in RCW 28B.15.045 may initiate a  
27 request to the governing board for a fee increase.

28 (3) Tuition and services and activities fees consistent with  
29 subsection (2) of this section shall be set by the state board for  
30 community and technical colleges for community college summer school  
31 students unless the community college charges fees in accordance with  
32 RCW 28B.15.515.

33 (4) Subject to the limitations of RCW 28B.15.910, each governing  
34 board of a community college may charge such fees for ungraded courses,  
35 noncredit courses, community services courses, and self-supporting  
36 courses as it, in its discretion, may determine, consistent with the  
37 rules of the state board for community and technical colleges.

1 (5) The governing board of a college offering an applied  
2 baccalaureate degree program under RCW 28B.50.810 may charge tuition  
3 fees for those courses above the associate degree level at rates  
4 consistent with rules adopted by the state board for community and  
5 technical colleges, not to exceed tuition fee rates at the regional  
6 universities.

7 (6) The governing board of a community or technical college  
8 offering an applied baccalaureate degree program under RCW 28B.50.820  
9 may charge tuition fees for those courses above the associate degree  
10 level at rates consistent with rules adopted by the state board for  
11 community and technical colleges, not to exceed tuition fee rates at  
12 the regional universities.

13 NEW SECTION. Sec. 306. The following acts or parts of acts are  
14 each repealed:

15 (1) RCW 28B.45.060 (Central Washington University--Yakima area) and  
16 1989 1st ex.s. c 7 s 7; and

17 (2) RCW 28B.45.080 (Partnership between community and technical  
18 colleges and branch campuses) and 2004 c 57 s 5 & 1989 1st ex.s. c 7 s  
19 8.

20 **PART IV**  
21 **ACCOUNTABILITY**

22 NEW SECTION. Sec. 401. (1) The legislature finds that, since  
23 1997, public institutions of higher education have developed and  
24 maintained a system of performance measures to monitor progress in  
25 improving graduation efficiency, faculty productivity, student  
26 achievement of degrees and certifications, and other topics. However,  
27 the current performance measurement system is too limited in scope and  
28 scale. Only a few measures reflect the unique role and mission of an  
29 institution. There is little dialogue between state policymakers and  
30 institution leaders regarding the challenges facing our colleges and  
31 universities and the outcomes expected by the public and the state.

32 (2) The legislature further finds that procedures for operating  
33 budgets, enrollment management, and strategic planning for higher  
34 education are not adequately coordinated. The state and institutions

1 must jointly discuss and establish clear priorities and acknowledge  
2 potential trade-offs of funding decisions.

3 (3) Therefore, the legislature intends to explore a new  
4 relationship between the state and public institutions of higher  
5 education that includes dialogue and negotiation over goals,  
6 priorities, performance, and resources, and also includes explicit  
7 commitments made by each party aimed at achieving agreed-upon outcomes.  
8 The mechanism to implement this relationship is a performance contract.

9 NEW SECTION. Sec. 402. As used in this chapter, a performance  
10 contract:

11 (1) Is an agreement reached between the state and the governing  
12 board of an institution of higher education, or in the case of  
13 community or technical colleges the state board for community and  
14 technical colleges, as provided in section 404 of this act and approved  
15 by the legislature as provided in section 407 of this act;

16 (2) Addresses statewide goals and priorities of the legislature;

17 (3) Specifies enrollment and resource levels;

18 (4) Contains goals and commitments from both the institution and  
19 the state;

20 (5) Includes quantifiable performance measures and benchmarks; and

21 (6) Reflects the unique role and mission of the institution within  
22 the state's higher education system.

23 NEW SECTION. Sec. 403. (1) The higher education coordinating  
24 board, in consultation with the governor's office and the office of  
25 financial management, shall enter into negotiations with the governing  
26 boards of the state universities, the regional universities, and the  
27 state college, as defined in RCW 28B.10.016, to create a performance  
28 contract with each institution.

29 (2) The governor's office with assistance from the higher education  
30 coordinating board and the office of financial management shall enter  
31 into negotiations with the state board for community and technical  
32 colleges to create a master performance contract with the system of  
33 community and technical colleges created under chapter 28B.50 RCW.

34 (3) In developing a contract, the negotiating team from an  
35 institution of higher education must involve student and faculty  
36 representatives.

1 (4) The term of a performance contract negotiated under this  
2 section is six years, however either party may request that a contract  
3 be renegotiated and updated on a biennial basis if necessary to reflect  
4 changed circumstances. All performance contracts must include a  
5 process for renegotiation or update.

6 (5) The institutions of higher education and state board for  
7 community and technical colleges shall report all data necessary to  
8 implement, evaluate, and monitor each performance contract to the  
9 office of financial management, the legislature, and the higher  
10 education coordinating board.

11 NEW SECTION. **Sec. 404.** (1) Performance contracts shall contain:

12 (a) Indicators that measure outcomes concerning cost, quality,  
13 timeliness of student progress toward degrees and certifications, and  
14 articulation between and within the K-12 and higher education systems;

15 (b) Each institution's share of enrollments and degrees needed to  
16 meet the state's goals and strategic direction;

17 (c) Indicators that measure the efficiency and effectiveness of  
18 institutional processes; and

19 (d) Strategies, actions, and results committed to by the  
20 institution in order to achieve statewide goals.

21 (2) Performance contracts shall also identify the level of  
22 resources necessary to meet the performance objectives, subject to  
23 approval by the legislature under section 407 of this act.

24 (3) The governor and institutional negotiating teams shall identify  
25 indicators and levels of performance that are clearly linked to the  
26 role, mission, and strategic plan of the institution.

27 NEW SECTION. **Sec. 405.** (1) Performance contracts shall include  
28 grants to the institution, under the terms of the contract, of  
29 flexibility or waivers from state controls or rules.

30 (2) The negotiating teams shall identify areas where statutory  
31 change is necessary to grant an institution flexibility or waivers of  
32 state agency rules and submit any legislation necessary to implement a  
33 performance contract to the higher education committees of the senate  
34 and house of representatives.

35 (3) The following areas may not be included in a performance  
36 contract:

1 (a) Flexibility or waivers of requirements in a collective  
2 bargaining agreement negotiated under chapter 28B.52, 41.56, 41.59,  
3 41.76, or 41.80 RCW;

4 (b) Flexibility or waivers of administrative rules or processes  
5 governed by chapter 28B.52, 41.56, 41.59, 41.76, or 41.80 RCW;

6 (c) Rules, processes, duties, rights, and responsibilities of the  
7 academic faculty as contained in the faculty codes of the four-year  
8 institution;

9 (d) Flexibility or waivers of requirements under chapter 39.12 RCW;

10 (e) Flexibility or waivers of administrative rules or other  
11 regulations that address health and safety, civil rights, and  
12 nondiscrimination laws that apply to institutions of higher education;  
13 and

14 (f) State laws covering terms and conditions of employment,  
15 including but not limited to salaries, job security, and health,  
16 retirement, unemployment, or any other employment benefits.

17 NEW SECTION. **Sec. 406.** (1) The higher education coordinating  
18 board and the governor's office shall submit completed performance  
19 contracts to the legislature by January 15, 2008, and every six years  
20 thereafter. Following public hearings, the legislature shall have the  
21 opportunity, by concurrent resolution, to approve or reject each  
22 performance contract as a whole.

23 (2) If the legislature rejects or fails to act on a submission, the  
24 performance contract shall be returned to the parties for  
25 renegotiation.

26 (3) All cost items contained within a performance contract are  
27 subject to legislative appropriation.

28 NEW SECTION. **Sec. 407.** (1) Beginning December 2008, the higher  
29 education coordinating board and the state board for community and  
30 technical colleges shall provide annual progress reports to the higher  
31 education committees of the senate and house of representatives on  
32 implementation of the performance contracts and any short-term  
33 outcomes. The overall purpose of the progress reports is to focus  
34 attention on key measures of institutional performance and gain an  
35 improved understanding of the causes of success or lack of success in  
36 making progress in achieving the goals in the contract.

1 (2) The joint legislative audit and review committee shall conduct  
2 an evaluation and make recommendations regarding changes to the  
3 substance or process of performance contracting. The evaluation shall  
4 be submitted to the governor and higher education committees of the  
5 senate and house of representatives by January 15, 2014.

6 **Sec. 408.** RCW 28B.50.090 and 2004 c 275 s 57 are each amended to  
7 read as follows:

8 The college board shall have general supervision and control over  
9 the state system of community and technical colleges. In addition to  
10 the other powers and duties imposed upon the college board by this  
11 chapter, the college board shall be charged with the following powers,  
12 duties and responsibilities:

13 (1) Review the budgets prepared by the boards of trustees, prepare  
14 a single budget for the support of the state system of community and  
15 technical colleges and adult education, and submit this budget to the  
16 governor as provided in RCW 43.88.090;

17 (2) Establish guidelines for the disbursement of funds; and receive  
18 and disburse such funds for adult education and maintenance and  
19 operation and capital support of the college districts in conformance  
20 with the state and district budgets, and in conformance with chapter  
21 43.88 RCW;

22 (3) Ensure, through the full use of its authority:

23 (a) That each college district shall offer thoroughly comprehensive  
24 educational, training and service programs to meet the needs of both  
25 the communities and students served by combining high standards of  
26 excellence in academic transfer courses; realistic and practical  
27 courses in occupational education, both graded and ungraded; and  
28 community services of an educational, cultural, and recreational  
29 nature; and adult education, including basic skills and general,  
30 family, and workforce literacy programs and services. However,  
31 technical colleges, and college districts containing only technical  
32 colleges, shall maintain programs solely for occupational education,  
33 basic skills, and literacy purposes. For as long as a need exists,  
34 technical colleges may continue those programs, activities, and  
35 services they offered during the twelve-month period preceding May 17,  
36 1991;

1 (b) That each college district shall maintain an open-door policy,  
2 to the end that no student will be denied admission because of the  
3 location of the student's residence or because of the student's  
4 educational background or ability; that, insofar as is practical in the  
5 judgment of the college board, curriculum offerings will be provided to  
6 meet the educational and training needs of the community generally and  
7 the students thereof; and that all students, regardless of their  
8 differing courses of study, will be considered, known and recognized  
9 equally as members of the student body: PROVIDED, That the  
10 administrative officers of a community or technical college may deny  
11 admission to a prospective student or attendance to an enrolled student  
12 if, in their judgment, the student would not be competent to profit  
13 from the curriculum offerings of the college, or would, by his or her  
14 presence or conduct, create a disruptive atmosphere within the college  
15 not consistent with the purposes of the institution. This subsection  
16 (3)(b) shall not apply to competency, conduct, or presence associated  
17 with a disability in a person twenty-one years of age or younger  
18 attending a technical college;

19 (4) Prepare a comprehensive master plan for the development of  
20 community and technical college education and training in the state;  
21 and assist the office of financial management in the preparation of  
22 enrollment projections to support plans for providing adequate college  
23 facilities in all areas of the state. The master plan shall include  
24 implementation of the vision, goals, priorities, and strategies in the  
25 statewide strategic master plan for higher education under RCW  
26 28B.76.200 based on the community and technical college system's role  
27 and mission. The master plan shall also contain measurable performance  
28 indicators and benchmarks for gauging progress toward achieving the  
29 goals and priorities;

30 (5) Define and administer criteria and guidelines for the  
31 establishment of new community and technical colleges or campuses  
32 within the existing districts;

33 (6) Establish criteria and procedures for modifying district  
34 boundary lines consistent with the purposes set forth in RCW 28B.50.020  
35 as now or hereafter amended and in accordance therewith make such  
36 changes as it deems advisable;

37 (7) Establish minimum standards to govern the operation of the  
38 community and technical colleges with respect to:

- 1 (a) Qualifications and credentials of instructional and key  
2 administrative personnel, except as otherwise provided in the state  
3 plan for vocational education,
- 4 (b) Internal budgeting, accounting, auditing, and financial  
5 procedures as necessary to supplement the general requirements  
6 prescribed pursuant to chapter 43.88 RCW,
- 7 (c) The content of the curriculums and other educational and  
8 training programs, and the requirement for degrees and certificates  
9 awarded by the colleges,
- 10 (d) Standard admission policies,
- 11 (e) Eligibility of courses to receive state fund support;
- 12 (8) Establish and administer criteria and procedures for all  
13 capital construction including the establishment, installation, and  
14 expansion of facilities within the various college districts;
- 15 (9) Encourage innovation in the development of new educational and  
16 training programs and instructional methods; coordinate research  
17 efforts to this end; and disseminate the findings thereof;
- 18 (10) Exercise any other powers, duties and responsibilities  
19 necessary to carry out the purposes of this chapter;
- 20 (11) Authorize the various community and technical colleges to  
21 offer programs and courses in other districts when it determines that  
22 such action is consistent with the purposes set forth in RCW 28B.50.020  
23 as now or hereafter amended;
- 24 (12) Notwithstanding any other law or statute regarding the sale of  
25 state property, sell or exchange and convey any or all interest in any  
26 community and technical college real and personal property, except such  
27 property as is received by a college district in accordance with RCW  
28 28B.50.140(8), when it determines that such property is surplus or that  
29 such a sale or exchange is in the best interests of the community and  
30 technical college system;
- 31 (13) In order that the treasurer for the state board for community  
32 and technical colleges appointed in accordance with RCW 28B.50.085 may  
33 make vendor payments, the state treasurer will honor warrants drawn by  
34 the state board providing for an initial advance on July 1, 1982, of  
35 the current biennium and on July 1 of each succeeding biennium from the  
36 state general fund in an amount equal to twenty-four percent of the  
37 average monthly allotment for such budgeted biennium expenditures for  
38 the state board for community and technical colleges as certified by

1 the office of financial management; and at the conclusion of such  
2 initial month and for each succeeding month of any biennium, the state  
3 treasurer will reimburse expenditures incurred and reported monthly by  
4 the state board treasurer in accordance with chapter 43.88 RCW:  
5 PROVIDED, That the reimbursement to the state board for actual  
6 expenditures incurred in the final month of each biennium shall be less  
7 the initial advance made in such biennium;

8 (14) Notwithstanding the provisions of subsection (12) of this  
9 section, may receive such gifts, grants, conveyances, devises, and  
10 bequests of real or personal property from private sources as may be  
11 made from time to time, in trust or otherwise, whenever the terms and  
12 conditions thereof will aid in carrying out the community and technical  
13 college programs and may sell, lease or exchange, invest or expend the  
14 same or the proceeds, rents, profits and income thereof according to  
15 the terms and conditions thereof; and adopt regulations to govern the  
16 receipt and expenditure of the proceeds, rents, profits and income  
17 thereof;

18 (15) The college board shall have the power of eminent domain;

19 (16) Provide general supervision over the state's technical  
20 colleges. The president of each technical college shall report  
21 directly to the director of the state board for community and technical  
22 colleges, or the director's designee, until local control is assumed by  
23 a new or existing board of trustees as appropriate, except that a  
24 college president shall have authority over program decisions of his or  
25 her college until the establishment of a board of trustees for that  
26 college. The directors of the vocational-technical institutes on March  
27 1, 1991, shall be designated as the presidents of the new technical  
28 colleges; and

29 (17) Enter into negotiations to create a master performance  
30 contract for the system of community and technical colleges as provided  
31 in chapter 28B.-- RCW (sections 401 through 407 of this act).

32 **Sec. 409.** RCW 28B.76.290 and 1993 c 77 s 2 are each amended to  
33 read as follows:

34 The board shall coordinate educational activities among all  
35 segments of higher education taking into account the educational  
36 programs, facilities, and other resources of both public and  
37 independent two and four-year colleges and universities. The four-year

1 institutions and the state board for community and technical colleges  
2 shall coordinate information and activities with the board. The board  
3 shall have the following additional responsibilities:

4 (1) Promote interinstitutional cooperation;

5 (2) Establish minimum admission standards for four-year  
6 institutions, including a requirement that coursework in American sign  
7 language or an American Indian language shall satisfy any requirement  
8 for instruction in a language other than English that the board or the  
9 institutions may establish as a general undergraduate admissions  
10 requirement;

11 (3) Establish transfer policies;

12 (4) Adopt rules implementing statutory residency requirements;

13 (5) Develop and administer reciprocity agreements with bordering  
14 states and the province of British Columbia;

15 (6) Review and recommend compensation practices and levels for  
16 administrative employees, exempt under chapter ((28B.16)) 41.06 RCW,  
17 and faculty using comparative data from peer institutions;

18 (7) Monitor higher education activities for compliance with all  
19 relevant state policies for higher education;

20 (8) Arbitrate disputes between and among four-year institutions or  
21 between and among four-year institutions and community colleges at the  
22 request of one or more of the institutions involved, or at the request  
23 of the governor, or from a resolution adopted by the legislature. The  
24 decision of the board shall be binding on the participants in the  
25 dispute;

26 (9) Establish and implement a state system for collecting,  
27 analyzing, and distributing information;

28 (10) Recommend to the governor and the legislature ways to remove  
29 any economic incentives to use off-campus program funds for on-campus  
30 activities; ((and))

31 (11) Make recommendations to increase minority participation, and  
32 monitor and report on the progress of minority participation in higher  
33 education; and

34 (12) Enter into negotiations to create performance contracts with  
35 the governing boards of the public four-year institutions as provided  
36 in chapter 28B.-- RCW (sections 401 through 407 of this act).

